



# Lowell City Council

## *Regular Meeting Minutes*

Michael Q. Geary  
City Clerk

**Date:** May 16, 2017  
**Time:** 5:30 PM  
**Location:** City Council Chamber  
375 Merrimack Street, 2nd Floor, Lowell, MA

### **Finance SC May 16, 2017.**

**RE: Discussion – Lowell High School project costs effect on City debt service.**

#### **PRESENT:**

Present on Roll Call were C. Elliott and C. Milinazzo, and C. Leary. Also present were Conor Baldwin (CFO), C. Mercier, Robert Healy (Fin. Con.), Bryan Perry (Auditor), C Rourke, C. Samaras and Rodney Conley (Asst. CFO).

#### **MEETING CALLED TO ORDER:**

C. Elliott called the meeting to order in the Council Chamber and noted presentation was available on line.

#### **ORDER OF BUSINESS:**

Mr. Baldwin made presentation entitled "Discussion: Lowell High School Project Costs effect on City Debt Service". Mr. Baldwin commented on debt limit calculation as set by State and noted exemptions to that regulation. Mr. Baldwin noted that school costs are outside that debt limit. C. Elliott noted the limit of how much debt can be serviced. C. Milinazzo commented on unsecured debt in the City. C. Elliott noted debt outside of the limit. Mr. Baldwin provide water and sewer debt as examples. Mr. Baldwin then discussed forecasted debt including debt for new school noting the best practice is to keep debt service less than ten percent of operating budget. Mr. Healy noted that other critical needs of the City are being met. Mr. Baldwin noted goal is to keep even debt service. Mr. Baldwin outlined other large capital projects in the City noting the DPW and LPD projects. Mr. Baldwin discussed LHS project debt service outlining how capital needs would be met. C. Elliott noted current decrease in current



debt service over the years to come. Mr. Baldwin outlined reasons behind that. C. Leary noted projections are based on some assumptions. Mr. Baldwin noted that all are based on assumptions and that they are conservative in their approach. C. Leary commented on interest rates and high projections. Mr. Healy noted that information was solid to make such projections. C. Belanger questioned remaining bonding capacity. Mr. Baldwin noted that the school project is included in projections. Mr. Conley noted scope of project would be determined by Council. C. Milinazzo commented on calculations and how they are made. Mr. Baldwin commented on the process. Mr. Baldwin outlined different means to repay and what may be best approach to ease budget concerns. Mr. Healy noted need to have MSBA payments involved through repayment period. C. Elliott commented on payments coinciding. Mr. Baldwin outlined General Fund Forecasts noting revenue from taxes is only at 37% and that was impressive in comparison to other communities. C. Elliott commented that City was in a strong financial position. C. Milinazzo commented on tax levy limit. Mr. Baldwin noted there is excess levy capacity. Mr. Healy noted that levy will increase to support debt. C. Belanger commented on bonding capacity. Mr. Baldwin noted preference to keep below ten percent. Mr. Healy noted that bigger capital projects may be affected. C. Belanger requested further breakdown of capital projects. Mr. Baldwin noted that information regarding lapsed TIF agreements will be forwarded to the body.

#### **ADJOURNMENT:**

**Motion** to adjourn by C. Milinazzo, seconded by C. Leary. So voted.

Meeting adjourned at 6:16 PM.

Michael Q. Geary, City Clerk

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